

State of Alaska FY2008 Governor's Operating Budget

Dept of Commerce,Community,& Economic Development Administrative Services Component Budget Summary

Component: Administrative Services

Contribution to Department's Mission

To provide management services and administrative support to all divisions and agencies.

Core Services

Financial Support Services of Budget, Accounting, Monitoring, and Reporting

- Procurement and Office Space Management
- Information Technology
- Publications
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End Results	Strategies to Achieve Results
<p>A: Ensure compliance to all accounting principles.</p> <p><u>Target #1:</u> Zero audit findings. <u>Measure #1:</u> Number of audit findings.</p> <p><u>Target #2:</u> Zero questioned costs required to be returned to federal government. <u>Measure #2:</u> Amount of questioned costs returned to federal government.</p>	<p>A1: Actively manage the financial activities of each agency.</p> <p><u>Target #1:</u> Meet with program staff and analyze financial information on a continuing basis on all agencies <u>Measure #1:</u> Number of agencies</p>
End Results	Strategies to Achieve Results
<p>B: Provide effective and efficient procurement-related services.</p> <p><u>Target #1:</u> Zero procurement protests. <u>Measure #1:</u> Number of procurement protests resolved by Department.</p> <p><u>Target #2:</u> Zero procurement protests elevated to the appeal level handled by the Department of Administration. <u>Measure #2:</u> Number of appeals.</p>	<p>B1: Provide procurement-related training.</p> <p><u>Target #1:</u> 100% of employees performing procurement-related services receive required procurement training. <u>Measure #1:</u> Percentage of employees performing procurement-related services that receive required procurement training.</p>
End Results	Strategies to Achieve Results
<p>C: Provide efficient and secure information technology services for the Department.</p> <p><u>Target #1:</u> Zero security breaches. <u>Measure #1:</u> Number of security breaches</p> <p><u>Target #2:</u> Zero software programs with major deficiencies. <u>Measure #2:</u> Number of software programs with major deficiencies.</p>	<p>C1: Provide technical training to information technology staff.</p> <p><u>Target #1:</u> 100% of information technology staff complete at least one course per year. <u>Measure #1:</u> Percentage of information technology staff that complete at least one course per year.</p> <p>C2: Consolidate information technology services into one section.</p> <p><u>Target #1:</u> 100% of information technology positions consolidated into the Division of Administrative Services. <u>Measure #1:</u> Percentage of information technology</p>

	positions consolidated into the Division of Administrative Services.
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Major Activities to Advance Strategies

<ul style="list-style-type: none"> Budget Preparation and Monitoring Office Space Management Maintain Effective Security of Department Data Procurement 	<ul style="list-style-type: none"> Legislative Hearing Support and Testimony Develop and Support E-Commerce Applications Appropriation, Fund and Cost Accounting Maintain Computer Network
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FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$4,601,900	Personnel:	
	Full time	45
	Part time	0
	Total	45

Performance Measure Detail

A: Result - Ensure compliance to all accounting principles.

Target #1: Zero audit findings.
Measure #1: Number of audit findings.

Number of Audit Recommendations

Fiscal Year	YTD Total
FY 2003	3
FY 2004	0
FY 2005	1

Analysis of results and challenges: Department of Commerce, Community and Economic Development's component unit Alaska Aerospace Development Corporation had three audit recommendations in fiscal year 2003 for timely and accurately reporting with no questioned costs. In 2005, DCCED had one finding related to recording capital expenditures in the correct chart of account year. This has been corrected

Target #2: Zero questioned costs required to be returned to federal government.
Measure #2: Amount of questioned costs returned to federal government.

Amount of Questioned Costs Returned to Federal Government

Fiscal Year	YTD Total
FY 2003	0
FY 2004	0
FY 2005	0
FY 2006	0

Analysis of results and challenges: To be in compliance with audit and federal guidelines, the finance Section has strictly followed A-87 and A-122 and State rules and regulations on federal programs to eliminate audit or financial findings. This has assisted on a zero return of federal dollars.

A1: Strategy - Actively manage the financial activities of each agency.

Target #1: Meet with program staff and analyze financial information on a continuing basis on all agencies

Measure #1: Number of agencies

Number of agencies

Fiscal Year	YTD Total
FY 2005	12
FY 2006	12

Analysis of results and challenges: The fiscal has prepared financial projections to assist divisions and agencies to control their budget. This process has eliminated shortfalls in their budget.

B: Result - Provide effective and efficient procurement-related services.

Target #1: Zero procurement protests.

Measure #1: Number of procurement protests resolved by Department.

Number of procurement protests

Fiscal Year	YTD Total
FY 2003	0
FY 2004	0
FY 2005	0
FY 2006	0

Analysis of results and challenges: Due to the complete analysis of each contracts, zero procurement protests elevated to the appeal level handled by the the Department of Administration

Target #2: Zero procurement protests elevated to the appeal level handled by the Department of Administration.

Measure #2: Number of appeals.

Number of procurement appeals

Fiscal Year	YTD Total
FY 2003	0
FY 2004	0
FY 2005	0
FY 2006	0

Analysis of results and challenges: Because the procuremnt staff were able to eliminate contract problems at an early stage, the department did not have any appeals from the contractors.

B1: Strategy - Provide procurement-related training.

Target #1: 100% of employees performing procurement-related services receive required procurement training.

Measure #1: Percentage of employees performing procurement-related services that receive required procurement training.

Percentage of employees receive training

Fiscal Year	YTD Total
FY 2004	50%
FY 2005	100%
FY 2006	100%

Analysis of results and challenges: The knowledge attained by the staff through the procurement training assisted them to follow rules set up by the Department of Administration which leads to no procurement violations.

C: Result - Provide efficient and secure information technology services for the Department.

Target #1: Zero security breaches.

Measure #1: Number of security breaches

Year	YTD Total
2003	0
2004	0
2005	0
2006	0

Analysis of results and challenges: The department's anti-virus software is continually upgraded to maintain security

Target #2: Zero software programs with major deficiencies.

Measure #2: Number of software programs with major deficiencies.

Analysis of results and challenges: The in-house programs are constantly maintained to avoid deficiencies.

C1: Strategy - Provide technical training to information technology staff.

Target #1: 100% of information technology staff complete at least one course per year.

Measure #1: Percentage of information technology staff that complete at least one course per year.

Percentage of information technology staff that complete at least one course per year

Fiscal Year	YTD Total
FY 2004	0%
FY 2005	17%
FY 2006	50%

Analysis of results and challenges: The Information Technology staff needs to stay current with the latest changes in technology.

C2: Strategy - Consolidate information technology services into one section.

Target #1: 100% of information technology positions consolidated into the Division of Administrative Services.
Measure #1: Percentage of information technology positions consolidated into the Division of Administrative Services.

Percentage of information technology staff consolidated into the Division of Administrative Services

Fiscal Year	YTD Total
FY 2005	30%
FY 2006	30%
FY 2007	85%

In fiscal year 2007 fourteen information technology staff were transferred to the Division of Administrative Services, resulting in twenty-two of the Department's twenty-six information technology staff consolidated within the Division.

Analysis of results and challenges: To create and maintain the uniformity in Information Technology for technical programmatic process

Key Component Challenges

Statewide governance for Information Technology (IT) planning has resulted in new practices and standards. Aligning the Department's IT efforts to the new process is a two to three year project. Reorganization of IT to allow greater flexibility when assigning and prioritizing IT projects is under review. This is increasingly important with the increasing focus on e-commerce, data security, increasing use of technology, and the training of users in these systems.

Significant Changes in Results to be Delivered in FY2008

No significant changes.

Major Component Accomplishments in 2006

Continued improvement in the Department's information technology security profile. Staff responded within an hour of notification of a machine infected with a virus and critical operating system patches are always installed within the state's 10-day requirement, many times within half that time.

Continue to provide financial services without increase in staff.

Statutory and Regulatory Authority

AS 44.33.010-020 Administrative Services

Contact Information
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Administrative Services Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,796.3	3,486.9	3,928.1
72000 Travel	39.4	17.5	17.5
73000 Services	599.8	579.2	626.5
74000 Commodities	116.8	28.1	28.1
75000 Capital Outlay	84.8	1.7	1.7
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,637.1	4,113.4	4,601.9
Funding Sources:			
1004 General Fund Receipts	1,012.7	1,131.8	1,327.1
1007 Inter-Agency Receipts	1,624.4	2,981.6	3,274.8
Funding Totals	2,637.1	4,113.4	4,601.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Managemen t Plan	FY2008 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	125.5	125.5	125.0
Unrestricted Total		125.5	125.5	125.0
Restricted Revenues				
Interagency Receipts	51015	1,624.4	2,981.6	3,274.8
Restricted Total		1,624.4	2,981.6	3,274.8
Total Estimated Revenues		1,749.9	3,107.1	3,399.8

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	1,131.8	0.0	2,981.6	4,113.4
Adjustments which will continue current level of service:				
-Delete Funding for Information Technology Staff In Administrative Services Due to Expected FY2008 Savings	0.0	0.0	-207.9	-207.9
-Delete One-Time Costs for Information Technology Staff Transfer to Administrative Services	0.0	0.0	-50.0	-50.0
-FY 08 Health Insurance Increases for Exempt Employees	0.1	0.0	0.1	0.2
Proposed budget increases:				
-Restore Funding of Information Technology Staff In Administrative Services	0.0	0.0	207.9	207.9
-Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel	47.3	0.0	0.0	47.3
-FY 08 Retirement Systems Rate Increases	147.9	0.0	343.1	491.0
FY2008 Governor	1,327.1	0.0	3,274.8	4,601.9

Administrative Services Personal Services Information

Authorized Positions		Personal Services Costs		
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	45	45	Annual Salaries	2,369,999
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	1,770,160
			<i>Less 5.12% Vacancy Factor</i>	(212,059)
			Lump Sum Premium Pay	0
Totals	45	45	Total Personal Services	3,928,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	2	0	2
Accountant IV	0	0	1	0	1
Accountant V	0	0	1	0	1
Accounting Clerk II	0	0	1	0	1
Accounting Tech I	0	0	3	0	3
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	3	0	3
Administrative Assistant	0	0	1	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	0	0	1	0	1
Analyst/Programmer I	0	0	1	0	1
Analyst/Programmer II	0	0	1	0	1
Analyst/Programmer III	0	0	2	0	2
Analyst/Programmer IV	1	0	6	0	7
Analyst/Programmer V	0	0	3	0	3
Data Processing Mgr III	0	0	1	0	1
Division Director	0	0	1	0	1
Micro/Network Spec I	1	0	1	0	2
Micro/Network Spec II	1	0	1	0	2
Micro/Network Tech I	0	0	1	0	1
Micro/Network Tech II	1	0	1	0	2
Procurement Spec I	0	0	1	0	1
Procurement Spec II	0	0	1	0	1
Procurement Spec IV	0	0	1	0	1
Publications Spec II	0	0	0	1	1
Supply Technician I	0	0	1	0	1
Supply Technician II	0	0	1	0	1
Systems Programmer III	0	0	1	0	1
Totals	5	0	39	1	45